

Hearing Date:  
August 30, 2000  
10:00 a.m.

Gerald C. Bender (GB-5849)  
Lawrence A. First (LF-9650)  
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(A Partnership Including  
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Attorneys for Debtors  
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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
	:	Case Nos. 00 B 41065 (SMB)
RANDALL'S ISLAND FAMILY GOLF	:	through 00 B 41196 (SMB)
CENTERS, INC., <u>ET AL.</u> ,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
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NOTICE OF HEARING WITH RESPECT TO MOTION  
FOR AN ORDER PURSUANT TO SECTION 1121(d)  
OF THE BANKRUPTCY CODE EXTENDING THE  
EXCLUSIVE PERIODS DURING WHICH ONLY THE  
DEBTORS-IN-POSSESSION MAY FILE A CHAPTER  
11 PLAN OR PLANS AND SOLICIT ACCEPTANCES  
OF SUCH PLAN OR PLANS

PLEASE TAKE NOTICE that, on August 18, 2000, the above-captioned debtors and debtors-in-possession (the "Debtors") filed with the United States Bankruptcy Court for the Southern District of New York (the "Court") their motion (the "Motion") for an order pursuant to section 1121(d) of title 11 of the United States Code (the "Bankruptcy Code"), extending the exclusive periods during which only the Debtors may file a chapter 11 plan or plans and solicit acceptances of such plan or plans.

PLEASE TAKE FURTHER NOTICE that a hearing to consider the Motion and any objections thereto will be held on August 30, 2000, at 10:00 a.m., Eastern Time, before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, United States Bankruptcy Court, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004.

PLEASE TAKE FURTHER NOTICE that the moving and any objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in the Motion being granted or denied upon default.

Dated: New York, New York  
August 18, 2000

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& JACOBSON  
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By: /s/ Gerald C. Bender  
Gerald C. Bender (GB-5849)

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
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RANDALL'S ISLAND FAMILY GOLF : Case Nos. 00 B 41065 (SMB)  
CENTERS, INC., et al., : through 00 B 41196 (SMB)  
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Debtors. : (Jointly Administered)  
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MOTION FOR AN ORDER PURSUANT TO  
SECTION 1121(d) OF THE BANKRUPTCY  
CODE EXTENDING THE EXCLUSIVE PERIODS  
DURING WHICH ONLY THE DEBTORS-IN-  
POSSESSION MAY FILE A CHAPTER 11 PLAN OR  
PLANS AND SOLICIT ACCEPTANCES OF SUCH  
PLAN OR PLANS

TO THE HONORABLE STUART M. BERNSTEIN,  
UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors-in-possession  
(the "Debtors"), for their motion for an order pursuant to  
section 1121(d) of title 11 of the United States Code (the  
"Bankruptcy Code"), extending the exclusive periods during which  
only the Debtors may file a chapter 11 plan or plans and solicit  
acceptances of such plan or plans (the "Motion"), respectfully  
represent as follows:

### Introduction

1. By this Motion, the Debtors seek a 120 day extension of the time within which the Debtors have the exclusive right to file a plan or plans of reorganization and to solicit acceptances of such plan or plans.

2. Since the Filing Date (as defined below), the Debtors and their professional advisors have been addressing numerous issues of critical importance to the Debtors' estates, including obtaining financing, working to stabilize the Debtors' businesses, marketing the Debtors' non-core properties and working to rebuild relations with their vendors and customers. Although the Debtors have made progress addressing these various issues, the Debtors need additional time to evaluate the results of their operations and to consider and implement new business strategies.

### Background

4. On May 4, 2000 (the "Filing Date"), each of the Debtors filed with this court separate voluntary petitions for relief under chapter 11 of the Bankruptcy Code. By order of this Court dated as of the Filing Date, the Debtors' chapter 11 cases are being jointly administered. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties as debtors-in-possession.

5. The Debtors operate golf, ice skating and family entertainment centers throughout North America. As of the Filing

Date, the Debtors owned and/or operated 100 golf facilities and 17 ice skating and family entertainment centers.

6. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). The statutory predicate for the relief requested herein is section 1121(d) of the Bankruptcy Code.

#### The Exclusive Periods

7. Section 1121(b) of the Bankruptcy Code provides a debtor with the exclusive right to file a chapter 11 plan within the first 120 days of the case. Section 1121(c)(3) of the Bankruptcy Code provides that if a debtor files a plan of reorganization within its exclusive period, it has an additional 60 days to solicit acceptances, during which time competing plans may not be filed.

8. The Debtors' 120-day and 180-day exclusive periods (together, the "Exclusive Periods") expire on September 1 and October 31, 2000, respectively. The Debtors now seek a 120-day extension of the Exclusive Periods in which to file a chapter 11 plan or plans and solicit acceptances of such plan or plans, from September 1, 2000 to and including December 30, 2001, and from October 31, 2000 to and including February 28, 2001, respectively, without prejudice to their right to seek further extensions of the Exclusive Periods.

#### Applicable Authority

9. Section 1121 of the Bankruptcy Code provides as follows:

(a) The debtor may file a plan with a petition commencing a voluntary case, or at any time in a voluntary case or an involuntary case.

(b) Except as otherwise provided in this section, only the debtor may file a plan until after 120 days after the date of the order for relief under this chapter.

(c) Any party in interest, including the debtor, the trustee, a creditors' committee, an equity security holders' committee, a creditor, an equity security holder, or any indenture trustee, may file a plan if and only if --

(1) a trustee has been appointed under this chapter;

(2) the debtor has not filed a plan before 120 days after the date of the order for relief under this chapter; or

(3) the debtor has not filed a plan that has been accepted, before 180 days after the date of the order for relief under this chapter, by each class of claims or interests that is impaired under the plan.

(d) On request of a party in interest made within the respective periods specified in subsections (b) and (c) of this section and after notice and a hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section.

11 U.S.C. § 1121.

10. Although the term "cause" is not defined in the statute, the legislative history of section 1121(d) of the Bankruptcy Code indicates that "cause" is a flexible standard designed to balance the competing interests of a debtor and its creditors. See H.R. Rep. No. 595, 95<sup>th</sup> Cong., 2d. Sess. 231, 232 (1978) (bankruptcy court is given flexibility to increase the

120-day period depending on the circumstances of the case). This flexibility is intended to give the debtor an adequate opportunity to negotiate with its creditors a plan of reorganization that will be effective in rehabilitating the debtor, while recognizing creditors' rights to have substantial input into that process. See In the Matter of Newark Airport, 156 B.R. 444, 451 (Bankr. D.N.J. 1993). In other cases in this district, courts have granted similar (and even lengthier) exclusivity extensions on the first request. See e.g., In re Bradlees Stores, Inc. et al., Case Nos. 95-B-42777 through 95-B-42784 (Bankr. S.D.N.Y.) (Judge Lifland) (granting eight month extension); In re The Caldor Corporation, et al., Case No. 95-B-44080 (Bankr. S.D.N.Y.) (Judge Garrity) (granting six month extension).

11. Certain factors have been identified by courts as relevant in determining whether cause exists to extend the exclusive periods. These factors include: (i) the size and complexity of the chapter 11 case; (ii) the degree of progress that has been achieved by the debtor in the chapter 11 process; (iii) whether the debtor has, in good faith, shown progress in attempting to formulate a plan of reorganization; and (iv) whether the debtor is paying its bills as they come due. See In re McLean Indus., Inc., 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987) (identifying factors used by courts to consider whether cause exists to extend exclusivity) (citations omitted).

12. When evaluating these factors, the goal is to determine whether a debtor has had a reasonable opportunity to

negotiate an acceptable plan with various interested parties and to prepare adequate financial and non-financial information concerning the ramifications of any proposed plan for disclosure to creditors. See, e.g., In re McLean, 87 B.R. at 833-34; In re Texaco, 76 B.R. 322, 326 (Bankr. S.D.N.Y. 1987).

#### Cause For the Extension

13. In this case, sufficient cause exists for the extension of the Exclusive Periods as requested by the Debtors in this Motion. Although the Debtors have made substantial progress in their chapter 11 cases, the Debtors are still in the early stages of the reorganization and plan formulation process. Since the Filing Date, the Debtors have devoted substantial time and effort to repairing relations with vendors and assessing various business strategies designed to improve profitability. Moreover, the Debtors have engaged in a significant marketing effort to dispose of their under-performing and non-core properties. This effort culminated in the execution of an Agreement of Sale, dated August 1, 2000, and amended as of August 14, 2000, by and between certain of the Debtors and Klak Golf, L.L.C. ("Klak") with respect to 34 of the Debtors' properties. That agreement was approved by the Bankruptcy Court at a hearing held on August 14, 2000.

14. Moreover, the Debtors, with the assistance of their professional advisors and in consultation with the Official Committee of Unsecured Creditors (the "Creditors Committee") and The Chase Manhattan Bank ("Chase"), as agent for the Debtors'



prepetition secured bank group, have begun the process of evaluating business strategies that will enable the Debtors to formulate a viable plan of reorganization. The operating results of the Debtors' current business season, when available, will be a crucial component of the strategies that are ultimately implemented. Likewise, the overall effect of the disposition of certain properties on the Debtors' businesses must be gauged before a particular strategy is chosen. Moreover, the Debtors have received, and may continue to receive, offers for various of their businesses, and need time to evaluate a sale alternative in connection with the formulation of a plan or plans. These efforts are an essential prerequisite to the formulation of a realistic plan or plans.

15. Until the results of these efforts can be determined, it is unreasonable to expect that the Debtors, or anyone else, could formulate a feasible plan. Rather, it is appropriate to first allow the Debtors an opportunity to implement new strategies, improve profitability, gauge future performance and consider sale alternatives in order to determine what form of plan would make sense.

#### Best Interests of the Estate

16. To allow competing plans at this stage of the case would lead to unnecessary situations that could adversely affect the value of the Debtors' assets. Such a scenario could jeopardize the recoveries to creditors in these chapter 11 cases.

17. Congress created the exclusive periods to give a debtor a clear opportunity to propose and confirm a plan without

the disruption occasioned by competing plans. The Debtors have worked cooperatively with the Creditors' Committee and Chase in this case, and expect to continue to do so. The objective of chapter 11 is to develop, negotiate, and confirm a plan by agreement. The Debtors desire to do just that; but to do so, the Debtors must be given the additional time necessary to get the businesses back on track, gauge the results of present efforts, and formulate a plan that is feasible in light of the Debtors' operating performance.

18. For the reasons set forth above, it is premature for a chapter 11 plan or plans to be promulgated by the Debtors. The Debtors deserve a realistic chance to propose, negotiate, and seek acceptance of a chapter 11 plan or plans. Therefore, the Debtors' request for an extension of the exclusive periods is necessary and appropriate, and should be granted.

#### Notice

19. The Debtors have provided notice of this Motion to (i) the Office of the United States Trustee, (ii) Berlack, Israels & Liberman, LLP, counsel to the Official Committee of Unsecured Creditors, (iii) Morgan, Lewis & Bockius, LLP, counsel for The Chase Manhattan Bank, as agent for the Debtors' postpetition lenders, and (iv) all other parties who have filed a notice of appearance in these chapter 11 cases. The Debtors believe that such notice is appropriate under the circumstances of this Motion and that any additional notice would not warrant the expense. Accordingly, the Debtors respectfully request that

any and all other and further notice be dispensed with and waived.

Waiver of Memorandum of Law

20. Given the nature of the relief requested in this Motion, the Debtors respectfully request that this Court dispense with and waive the requirement for submission of a memorandum of law contained in Local Rule 9013-1(b).

No Prior Request

21. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request entry of an order extending the expiration of (i) the exclusive period for filing of a chapter 11 plan or plans from September 1, 2000 to and including December 30, 2000, (ii) the exclusive period for solicitation of acceptances of such plan or plans from October 31, 2000 to and including February 28, 2001, without prejudice to

the Debtors' right to seek further extensions of the Exclusive Periods, and (iii) such other and further relief as is just and proper.

Dated: New York, New York  
August 18, 2000

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ORDER PURSUANT TO SECTION 1121(d) OF  
THE BANKRUPTCY CODE EXTENDING THE  
EXCLUSIVE PERIODS DURING WHICH ONLY THE  
DEBTORS-IN-POSSESSION MAY FILE A CHAPTER 11  
PLAN OR PLANS AND SOLICIT ACCEPTANCES OF  
SUCH PLAN OR PLANS

Upon the motion (the "Motion") of the above-captioned debtors and debtors-in-possession (the "Debtors"), for an order pursuant to section 1121(d) of title 11 of the United States Code extending the exclusive periods during which only the debtors-in-possession may file a chapter 11 plan or plans and solicit acceptances to such plan or plans;

And it appearing that due notice of the Motion has been given to (i) the Office of the United States Trustee, (ii) Berlack, Israels & Liberman, LLP, counsel to the Official

Committee of Unsecured Creditors, (iii) Morgan, Lewis & Bockius, LLP, counsel for The Chase Manhattan Bank, as agent for the Debtors' postpetition lenders, and (iv) all other parties who have filed a notice of appearance in these chapter 11 cases;

And it appearing that no other or further notice is necessary or required;

And upon the record of the hearing on this Motion held before this Court and the record of all other proceedings held to date in these chapter 11 cases;

And the Court being satisfied that the relief sought in the Motion is in the best interest of the Debtors, their estates, and their creditors;

And good and sufficient cause appearing therefor; it is hereby

ORDERED that the Debtors' exclusive period in which to file a plan of reorganization is extended to and including December 30, 2000, and it is further

ORDERED that the Debtors' exclusive period in which to solicit acceptances of the plan of reorganization is extended to and including February 28, 2001; and it is further

ORDERED that the entry of this order is without prejudice to the Debtors' right to seek such additional and further extensions of the Exclusive Periods as may be necessary or appropriate.

Dated:     New York, New York  
          \_\_\_\_\_, 2000

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UNITED STATES BANKRUPTCY JUDGE